

MMS Alaska OCS Region

Focus Sheet

Activity in the Alaska OCS

Leasing of Federal offshore lands in the United States and their subsequent development have made the OCS a major source of the Nation's supply of crude oil and natural gas. The OCS provides for 27 percent of the Nation's supply of oil and 25 percent of the natural gas, mostly from the Gulf of Mexico with limited amounts offshore California. Offshore operators also produce salt and sulphur from OCS leases, and use offshore sand for onshore projects. Investigations continue into the possibility of the OCS becoming a source of other non-fuel minerals such as gravel, phosphorite, manganese, gold, tin, titanium, and platinum.

In 1967 ARCO discovered the largest field in North America at Prudhoe Bay, Alaska. The first Alaska Continental Offshore Stratigraphic Test well was drilled in 1975 in the Gulf of Alaska and the following year, 1976, the first oil and gas lease sale was held. That sale was Sale 39 in the Gulf of Alaska. The first Alaska OCS exploratory well was drilled by Shell Oil in 1976.

Including that first sale in 1976, to present, 49 oil and gas lease sales have been scheduled in the Alaska OCS Region, with 20 sales held. The remainder were either cancelled or deferred, at times due to lack of industry interest. As a result of these sales, 1,621 leases were issued and 83 exploration wells drilled.

One development has been approved for the Alaska OCS: the Northstar Project in the Beaufort Sea which underlies both Federal and State waters. An additional development and production plan has been submitted for another Beaufort prospect - Liberty. Below is a table that illustrates the above statistical information for the entire Alaska OCS Region.

Alaska OCS – All Planning Areas

Sales Scheduled	Sales Held	Tracts Offered	Tracts Leased	Wells Drilled	Planned Production	Producing	Current No. of Leases
49	20	26,420	1,621	83	2	0	57

The Beaufort Sea has been one of the areas of highest interest. Ten Beaufort Sea sales have been scheduled, 7 have been held beginning with the first Beaufort Sea sale in 1979. In the Beaufort Sea, 688 leases were issued as a result of those sales and 30 exploration wells were drilled. Out of that exploration in the Beaufort Sea, only two development and production plans on the Alaska OCS have been submitted---Northstar and Liberty. Of these two, only Northstar has been approved. The development and production plan for Liberty is currently going through the NEPA process, with a final Environmental Impact Statement due in early-2002. Below is a table that illustrates the above statistical information for only the Beaufort Sea Planning Area.

Beaufort Sea Planning Area

Sales Scheduled	Sales Held	Tracts Offered	Tracts Leased	Wells Drilled	Planned Production	Producing	Current No. of Leases
10	7	10,224	688	30	2	0	55

Lease exploration activity has occurred in 7 planning areas since 1976, with a total of 70 plans approved with subsequent drilling of 83 wells. An exploration plan may include plans to drill several wells. The table below illustrates where these activities occurred and the number of wells drilled for each area.

Alaska OCS Region Exploration Plans & Wells Drilled by Planning Area

Planning Area	Exploration Plans	Wells Drilled	Timeframe
Gulf of Alaska	20	12	1976-1978
Cook Inlet/Shelikof	11	13	1978-1983
Norton Basin	2	6	1984-1985
St. George Basin	8	10	1984
Navarin Basin	4	8	1985
Chukchi Sea	2	4	1989-1990
Beaufort Sea	23	30	1982-present
TOTALS	70	83	

Geological and geophysical permits for the Alaska OCS for the 30-year period between 1960 and 1990 total 996 permits. Since 1990 only 22 geological and geophysical permits have been issued for the Alaska OCS.

Currently there are 57 remaining leases on the Alaska OCS: 55 in the Beaufort Sea and 2 in Cook Inlet. The remainder of the leases have either expired or have been relinquished by industry.

The Proposed 5-Year Program for the 5-year period from 2002-2007 includes 8 sales in the Alaska OCS Region:

- 3 in the Beaufort Sea,
- 2 in Cook Inlet,
- 2 in the Chukchi Sea/Hope Basin, and
- 1 in Norton Basin

September 2001

For More Information

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